		DEPARTMENT (	ATE OF UTAH OF NATURAL RES FOIL, GAS AND N				FOR AMENDED REPOR			
APPLI	CATION FOR F	PERMIT TO DRILL				1. WELL NAME and	d NUMBER DS 16G-20-10-18			
2. TYPE OF WORK  DRILL NEW WELL (	REENTER P&A	WELL DEEPEN	N WELL			3. FIELD OR WILDCAT  UTELAND BUTTE				
4. TYPE OF WELL Oil We	ell Coalbed	d Methane Well: NO				5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR				7. OPERATOR PHO	ONE 303 308-3068					
8. ADDRESS OF OPERATOR	QEP ENERGY (	n, Vernal, Ut, 84078				9. OPERATOR E-M		com		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-84264	-	11. MINERAL OWNER	RSHIP	) <sub>F</sub>	EE	12. SURFACE OWN		FEE		
13. NAME OF SURFACE OWNER (if box 12	= 'fee')			T		14. SURFACE OWN	NER PHONE (if box 1	L2 = 'fee')		
15. ADDRESS OF SURFACE OWNER (if box	12 = 'fee')					16. SURFACE OWN	NER E-MAIL (if box	12 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME	MINGLE PRODUCT	ION FR	ROM	19. SLANT						
(if box 12 = 'INDIAN')		MULTIPLE FORMATION YES (Submit Co	mmingling Applicat	ion) N	10 📵	VERTICAL D	RECTIONAL 📄 H	ORIZONTAL 🛑		
20. LOCATION OF WELL	FOC	OTAGES	QTR-QTR	SE	CTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE	1083 FS	L 706 FEL	SESE		20	10.0 S	18.0 E	S		
Top of Uppermost Producing Zone	1083 FS	L 706 FEL	SESE		20	10.0 S	18.0 E	S		
At Total Depth	1083 FS	L 706 FEL	SESE		20	10.0 S	18.0 E	S		
21. COUNTY  UINTAH		22. DISTANCE TO NE	AREST LEASE LIN	IE (Feet	t)	23. NUMBER OF A	CRES IN DRILLING	UNIT		
		25. DISTANCE TO NE (Applied For Drilling		SAME PO	OOL	26. PROPOSED DE	PTH D: 4850 TVD: 4850	)		
27. ELEVATION - GROUND LEVEL		28. BOND NUMBER		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF			IF APPLICABLE			
5349			ESB000024							
		AT	TACHMENTS							
VERIFY THE FOLLOWING	ARE ATTACHE	D IN ACCORDANC	CE WITH THE U	TAH O	IL AND (	GAS CONSERVAT	ION GENERAL RU	JLES		
WELL PLAT OR MAP PREPARED BY	LICENSED SURV	EYOR OR ENGINEER	СОМ							
AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)				FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER						
DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)				TOPOGRAPHICAL MAP						
NAME Jan Nelson		TITLE Permit Ager	nt		PHONE 4	435 781-4331				
SIGNATURE		<b>DATE</b> 08/10/2010			EMAIL ja	an.nelson@questar.c	om			
<b>API NUMBER ASSIGNED</b> 43047512260000		APPROVAL			F	llipson	•			
Permit Manager						Permit Manager				

API Well No: 43047512260000 Received: 8/10/2010

	Proposed Hole, Casing, and Cement						
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)			
Surf	12.25	9.625	0	450			
Pipe	Grade	Length	Weight				
	Grade J-55 ST&C	450	36.0				

CONFIDENTIAL

API Well No: 43047512260000 Received: 8/10/2010

	Proposed Hole, Casing, and Cement							
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)				
Prod	7.875	5.5	0	4850				
Pipe	Grade	Length	Weight					
	Grade J-55 LT&C	4850	15.5					

CONFIDENTIAL

# **QEP ENERGY COMPANY**

# DS 16G-20-10-18 New Vertical Well Summarized Procedure

- 1. MIRU air rig.
- 2. Drill 12 <sup>1</sup>/<sub>4</sub>" surface hole to 450'±.
- 3. Run 9 5/8", 36#, J-55, STC casing and cement to surface.
- 4. RD air rig, move off location.
- 5. MIRU drilling rig.
- 6. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
- 7. PU straight hole BHA, drill out surface casing and 10' of new formation, run FIT.
- 8. Drill 7 7/8" hole to 4,850'.
- 9. TOOH, MIRU Loggers.
- 10. Log from surface casing to TD.
- 11. RDMO Loggers.
- 12. TIH, Circulate.
- 13. TOOH & LDDP.
- 14. PU and run 5 1/2", 15.5#, J-55, LTC casing to 4,850', cement casing.
- 15. ND BOP's.
- 16. RDMOL.

## DRILLING PROGRAM

# ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

# 1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	<u>Depth</u>
Uinta	Surface
Green River	1,200'
X-Marker	2,931'
Uteland Butte	4,473'
A Sand	4,518'
C Lime	4,644'
TD	4,850'

# 2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	<u>Formation</u>	<u>Depth</u>
Oil	A Sand	4,518'
Oil	C Lime	4,644'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central

## **DRILLING PROGRAM**

Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

# 3. Operator's Specification for Pressure Control Equipment:

- A. A 3,000 psi double gate, 3,000 psi annular BOP (schematic included) from surface casing point to total depth.
- B. Functional test daily.
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

# 4. <u>Casing Design:</u>

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	MW
17-1/2""	14"	sfc	40'	Steel	Cond.	None	Used	Air
12-1/4"	9-5/8"	sfc	450'	36.0	J-55	STC	New	Air
7-7/8"	5-1/2"	sfc	4,850'	15.5	J-55	LTC	New	8-9 ppg

Casing Strengths:		Collapse	Burst	Tensile (min)		
9-5/8"	36.0 lb.	J-55	STC	2,020 psi	3,520 psi	394,000 lb.
5-1/2"	15.5 lb.	J-55	LTC	4,040 psi	4,810 psi	217,000 lb.

## **MINIMUM DESIGN FACTORS:**

COLLAPSE: 1.125

BURST: 1.10 TENSION: 1.80

## DRILLING PROGRAM

Area Fracture Gradient: 0.7 psi/foot Maximum anticipated mud weight: 9.5 ppg Maximum surface treating pressure: 3,000 psi Over pull margin (minimum): 100,000 lbs

#### 5. **Cementing Program**

# Cement to surface with construction cement. 9-5/8" Surface Canifornia Construction Cement.

Lead/Tail Slurry: 0' - 450'. 160 sks (290 cu ft) Rockies LT cement + 0.25 lb/sk Kwik Seal + 0.125 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: 1.81 ft<sup>3</sup>/sk, Slurry volume: 12-1/4" hole +100% excess.

# 5-1/2" Production Casing: sfc - 4,850' (MD)

Lead Slurry: 0' - 2,850'. 125 sks (480 cu ft) Halliburton Hi-Fill cement + 0.125 lb/sk Poly-E-Flake. Slurry wt: 11.0 ppg, Slurry yield: 3.84 ft<sup>3</sup>/sk, Slurry volume: 7-7/8" hole + 25% excess in open hole section.

Tail Slurry: 2,850' - 4,850'. 250 sks (304 cu ft) 50/50 Poz Premium + 0.6% Halad (R)-322 fluid loss + 2.0% Microbond M expander + 0.125 lb/sk Poly-E-Flake. Slurry wt: 14.35 ppg, Slurry yield: 1.24 ft<sup>3</sup>/sk, Slurry volume: 7-7/8" hole + 25% excess.

\*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

#### 6. Auxiliary Equipment

- A. Kelly Cock - yes
- В. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
- F. Request for Variance

Drilling surface hole with air:

## **DRILLING PROGRAM**

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 450 feet and high pressures are not expected.

- 1. **Properly lubricated and maintained rotating head** A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
- 2. Blooie line discharge 100 feet from wellbore and securely anchored the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.
- 3. Automatic igniter or continuous pilot light on blooie line a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
- 4. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
- 5. **Kill Fluid to control well** In lieu of having mud products on location to kill the well for an unanticipated kick, Questar will kill the well with water contained in a 400 bbl tank on site. The 400 bbl water tank will also be storage for surface casing cement water.
- 6. **Deflector on the end of the blooie line** Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
- 7. **Flare Pit** there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface casing, a flare box will be installed and all flare lines will be routed to the flare box.
- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.

## **DRILLING PROGRAM**

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Production holes will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface easing depth to TD.

# 7. Testing, logging and coring program

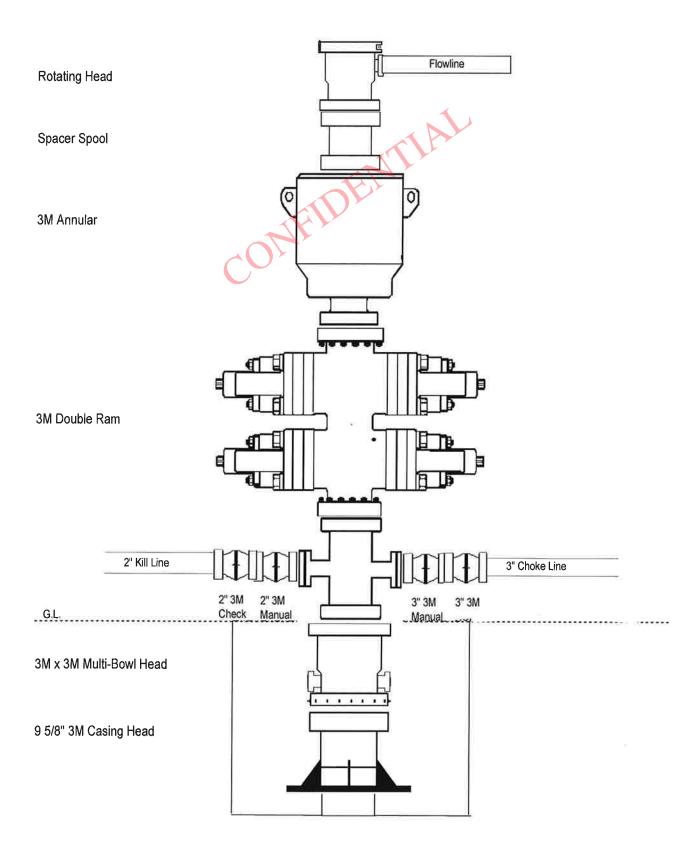
- A. Cores none anticipated
- B. DST none anticipated
- C. Logging Mud logging 450' to TD GR-SP-Induction, Neutron Density
- D. Formation and Completion Interval: Green River intervals, final determination of completion will be made by analysis of logs.
   Stimulation Stimulation will be designed for the particular area of interest as encountered.

# 8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

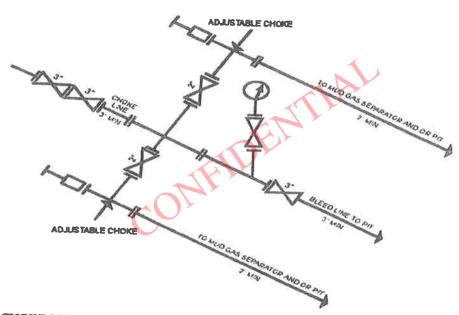
No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3,000 psi. Maximum anticipated bottom hole temperature is 135° F.

## **DRILLING PROGRAM**

## 3M BOP STACK



## DRILLING PROGRAM



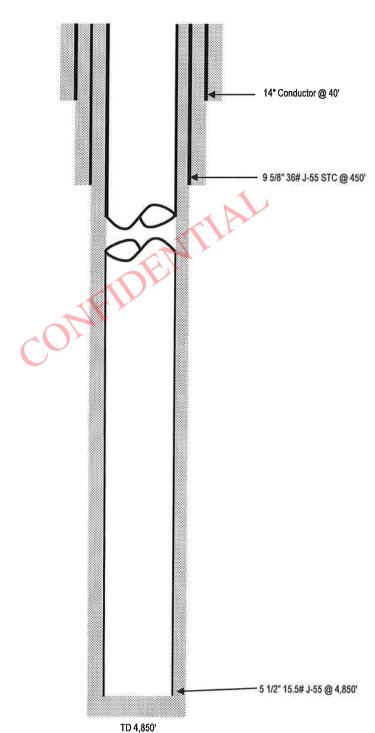
3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY [54 FR 39528, Sept. 27, 1989]

Modified 3-26-2010 CJL

DS 16G-20-10-18 API # 43-047 Proposed WBD Uinta Basin

SESE Sec. 20, T10S-R18E, Uintah Co, UT LOCATION: 1,083' FSL, 706' FEL

KB 5,353' GL 5,349'



#### APIWellNo:43047512260000 된으 DATE DRAWN: 03-02-10 QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) QUESTAR EXPLR. & PROD. PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5129 FEET. THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM 14, T10S, R18E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM Well location, DS #16G-20-10-18, located as SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION FIELD NOTES OF ACTUAL SURVEYS WADE BY WE OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO BEST OF MY KNOWLEDGE AND BELIEF LAND SURVEYING 84078 shown in the SE 1/4 SE 1/4 of Section 20, T10S, R18E, S.L.B.&M., Uintah County, Utah. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. REGISTERED LAND SURVEYO REGISTRATION NO. 161319 1000, PROD VERNAL, UTAH G.L.O. PLAT STATE OF UTAH 02-26-10 DATE SURVEYED: BASIS OF ELEVATION BASIS OF BEARINGS ઝ CERTIFICATE REFERENCES 789-1017 CAL EXPLR. સ ı ENGINEERING (435)200, 200 EAST K.G. QUESTAR 10001 S. K 85 SOUTH = 1000COLD UDITAH M.A. MEATHER SCALE Brass Cap NOO.02,23"E – 5042.52, (Weds.) 2640.77" (Meas.) - 3,11,90.00N (109.909744)(109.910444)(39.925147)(39.925183)1910 Brass Cap, 1.0' High, Pile of Stones 1910 Brass Cap, 1.3' High, Pile of Stones, Scattered Stones ,904 N89\*49'37"W - 2648.63' (Meas.) N89°57'44"W - 2649.55' (Meas. 39'55'30.53" ( 109'54'37.60" ( (NAD 27) 39'55'30.66" ( 1083, = 109'54'35.08" 5349' (NAD 83) T10S, R18E, S.L.B.&M. ij *DS #16G-20-10-18* Elev. Ungraded Ground H 11 II 1910 Brass Cap, 2.0' High, Pile of Stones 1910 Brass Cap, 1.0' High, Pile of Stones ONGITUDE ONGITUDE LATITUDE LATITUDE - 2627.88' (Meas., 2636.70' (G.L.O.) SECTION CORNERS LOCATED = PROPOSED WELL HEAD. ١ N89.29,46"W S89.58'E 1910 Brass Cap, 1.0' High, Pile of Stones 1910 Brass Cap, 2.2' High, Pile of Stones 90. SYMBOL EGEND: - 3,17,50.00N 2580.92' (Meds.) 5640.00' (G.L.O.) N00.01,E II

# QUESTAR EXPLR. & PROD.

 $\begin{array}{c} \textbf{DS} \ \#16G\text{-}20\text{-}10\text{-}18 \\ \textbf{located in uintah county, utah} \end{array}$ **SECTION 20, T10S, R18E, S.L.B.&M.** 

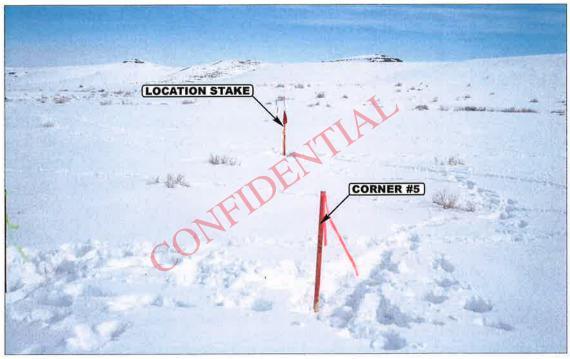


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

**CAMERA ANGLE: NORTHEASTERLY** 

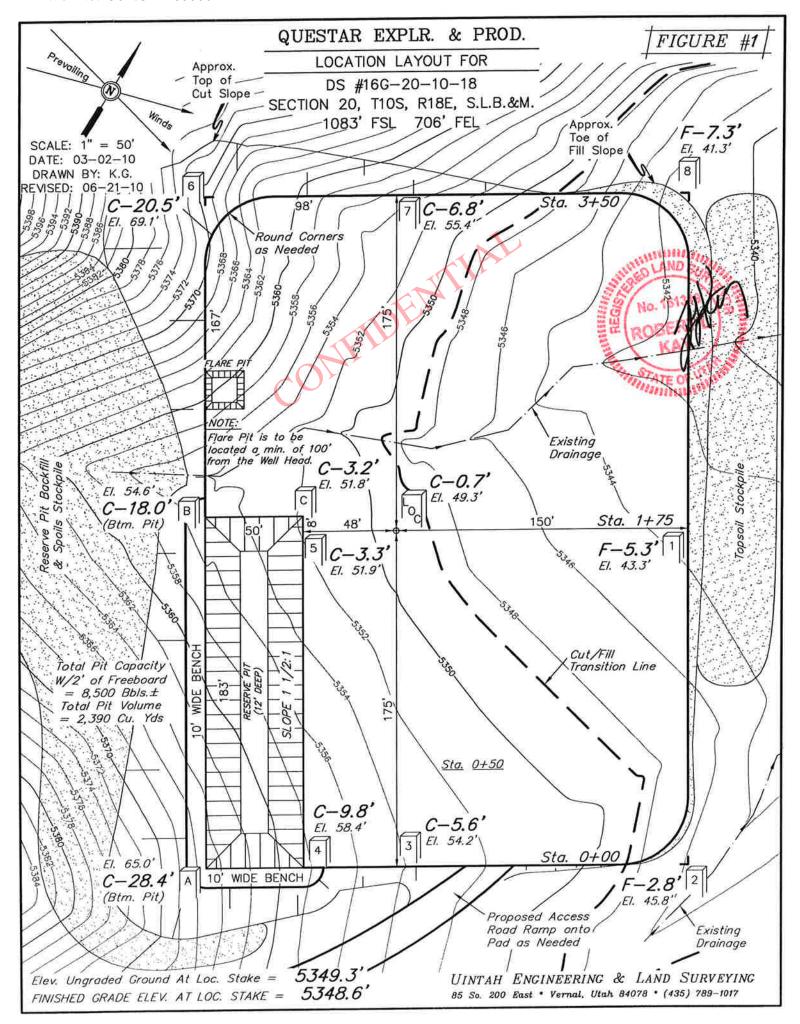


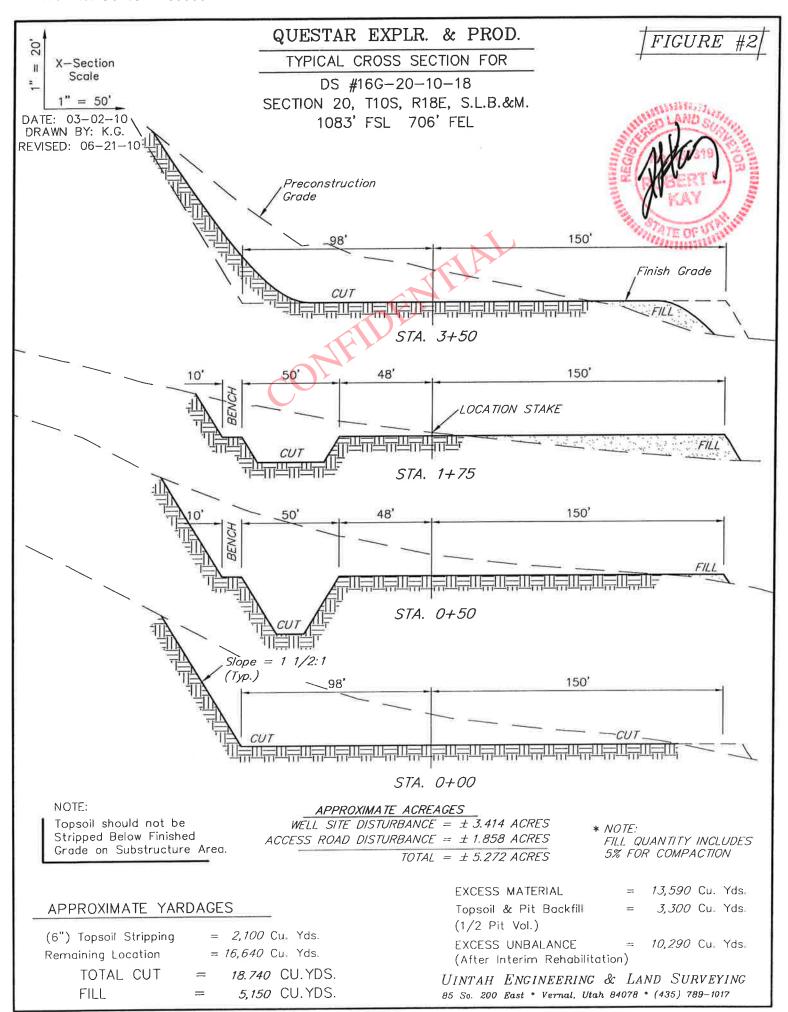
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

**CAMERA ANGLE: SOUTHEASTERLY** 

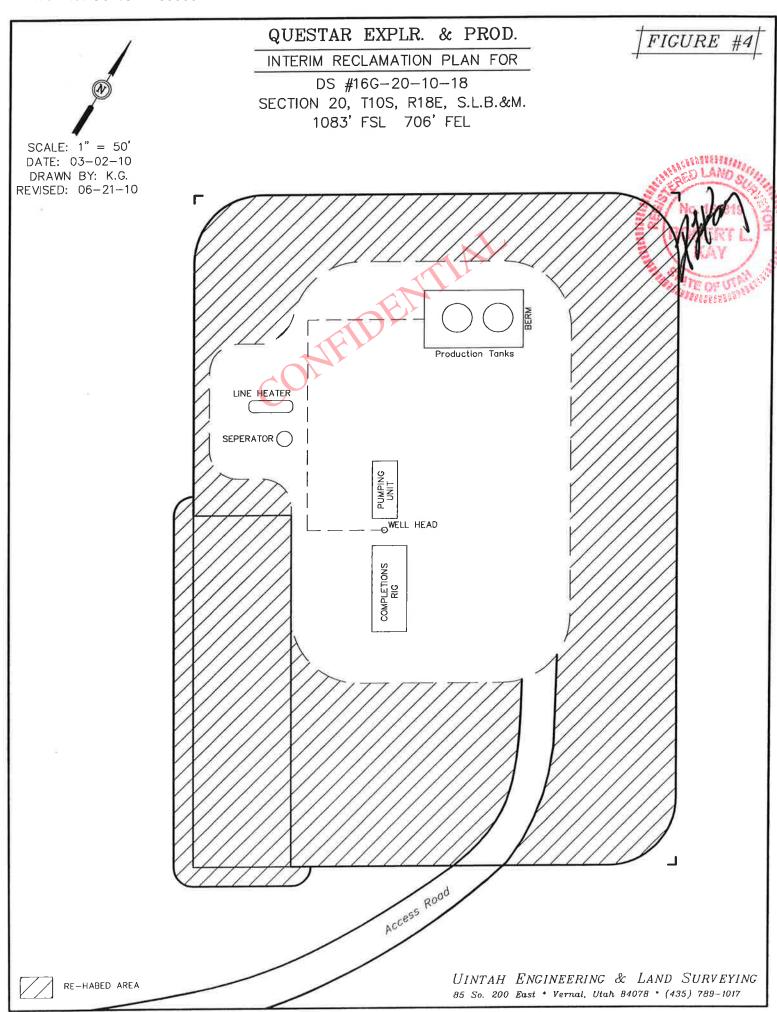








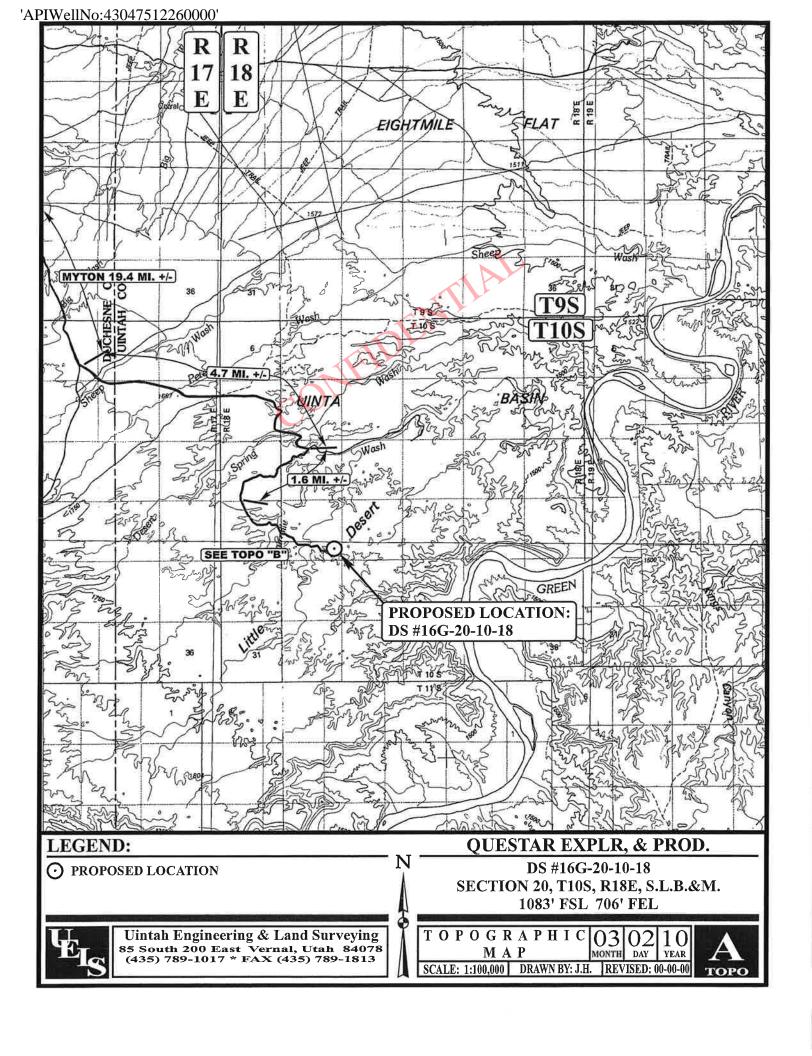
'APIWellNo:43047512260000' QUESTAR EXPLR. & PROD. FIGURE #3 TYPICAL RIG LAYOUT FOR DS #16G-20-10-18 SECTION 20, T10S, R18E, S.L.B.&M. 1083' FSL 706' FEL SCALE: 1" = 50'DATE: 03-02-10 DRAWN BY: K.G. 98' 167 FLARE PIT PIPE TUBS NOTE: PIPE RACKS Flare Pit is to be located a min. of 100' from the Well Head. ШШ RIG 48' 150 50 Ш TOILET TRAILER LIGHT PLANT TANKS BOILER WATER O COMPRESSOR BENCH MUD III PUMP HOUSE TANK Total Pit Capacity W/2' of Freeboard BOOSTER = 8,500 Bbls.± Total Pit Volume = 2,390 Cu. Yds 83, WIDE 75, Õ PROPANE STORAGE WIDE BENCH Access Road Proposed UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

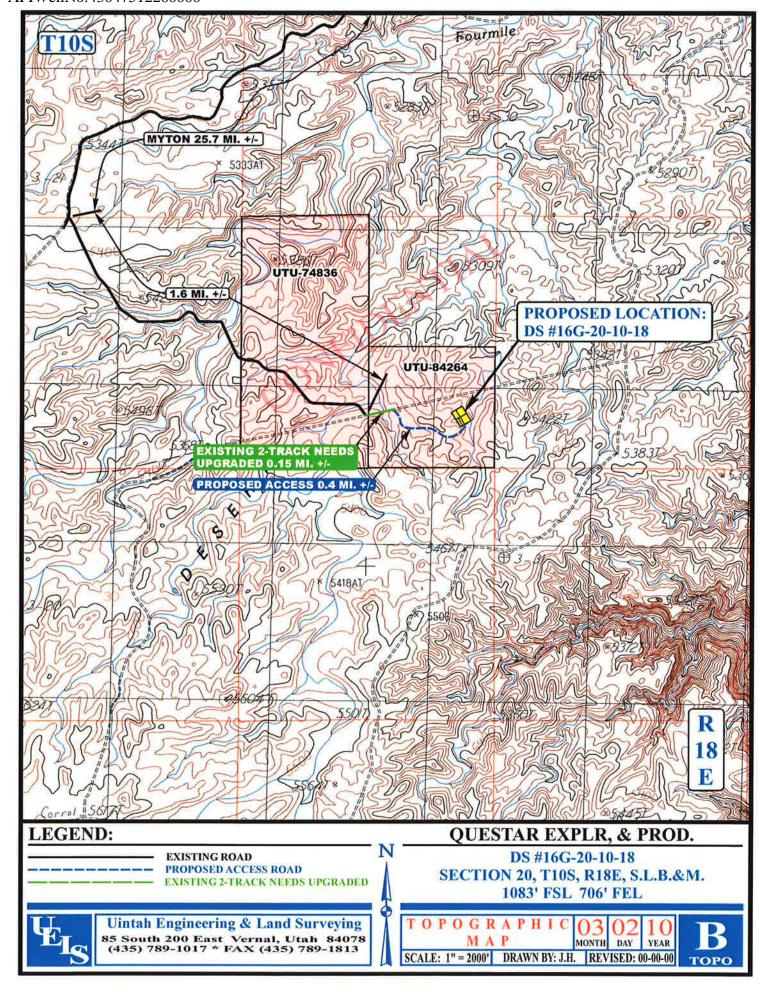


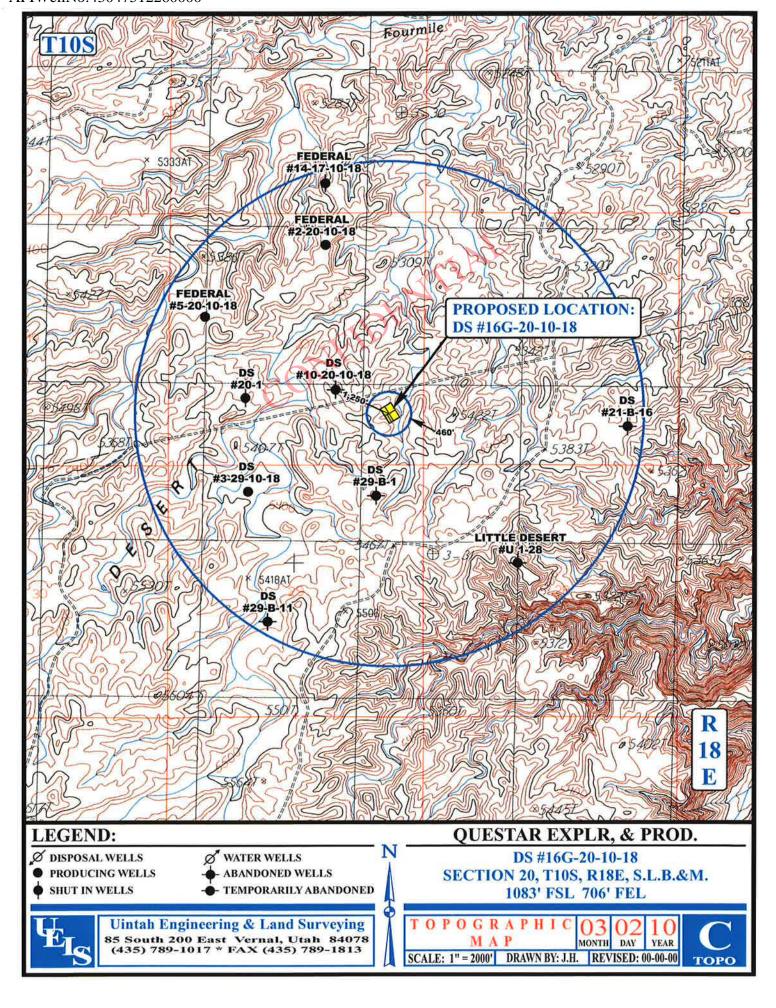
# QUESTAR EXPLR. & PROD. DS #16G-20-10-18 SECTION 20, T10S, R18E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM MYTON, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PRCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING 2-TRACK TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM MYTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 27.85 MILES.



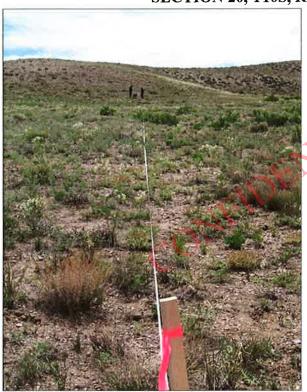




# QUESTAR EXPLR. & PROD.

REFERENCE MAP: AREA OF VEGETATION DS #16G-20-10-18

LOCATED IN UINTAH COUNTY, UTAH SECTION 20, T10S, R18E, S.L.B.&M.



# NOTE:

BEGINNING OF REFERENCE AREA

NAD 83 Z12 UTM NORTHING: 14500920.716

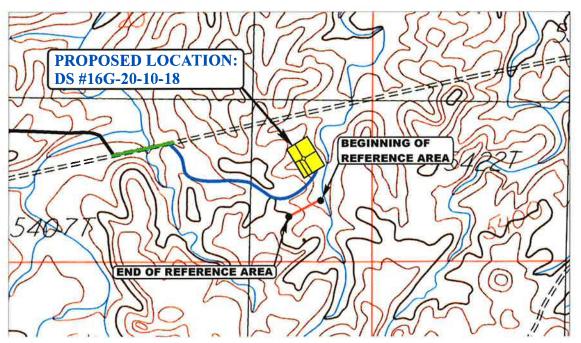
NAD 83 Z12 UTM EASTING: 1946055.611

(NAD 83) LATITUDE: 39.923987812

(NAD 83) LONGITUDE: -109.909850491

END OF REFERENCE AREA
NAD 83 Z12 UTM NORTHING: 14500644.178
NAD 83 Z12 UTM EASTING: 1945940.348
(NAD 83) LATITUDE: 39.923232379
(NAD 83) LONGITUDE: -110.910273579

PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA



- Since 1964 -

Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017

**SCALE: 1" = 1000'** 

06 01 10 MONTH DAY YEAR

REF.

TAKEN BY: D.R. | DRAWN BY: J.H. | REVISED: 00-00-00

'APIWellNo:43047512260000'

Reclamation Data Sheet, Vernal Field Office, BLM

Date	5-18-10	Examiner	Percival, villa	Taukinson	Length	300
Company		Location	166-20-10-12		Number of points	
Category	Bare Ground	Litter	Gravel 2mm-10"	<b>S</b> tone >10"	Vegetation	300
First leg Oot count	HI IF HI HI HI HI HI HI MIM	m m m m m	# #	A. L.	Vegetation	Tota
econd g Dot ount		cos	FIDE			
ird leg t count						
al Hits	× 46	89	135		30	
over	15%	30°/2	45%		10°/0	

# **Vegetative Basal Hits**

Vegetative Types	Dot Count	Total	Vegetative Types	Dot Count	Total
chat grev	1	1	Anuall Fond	1/1	Total
im bourdner solt bush	1111	,,	R C-1 V C	1737	3
Globo Mollow	M	9	Spiny Hop Sage	1	1
Prickley Pane	17	5			
Galatia	M M 116	2			
Neolle 4 threed	11	12			
		2			

(DS 139-19-10-18 SAME)

# **Additional Operator Remarks**

QEP Energy Company proposes to drill a vertical oil well to a total depth of 4,850' MD to test the Uteland Butte Member of the Green River Formation. If productive, casing will be run and the well completed. If, dry the will well be plugged and abandoned as per BLM and State of Utah requirements.

See Onshore Oil & Gas Order No. 1

Please be advised that QEP Energy Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Energy Company via surety as consent as provided for the 43 CFR 3104.2.

# DS 16G-20-10-18 SESE, SECTION 20, T10S, R18E UINTAH COUNTY, UT LEASE # UTU-84264

# **MULTI-POINT SURFACE USE & OPERATIONS PLAN**

# 1. Existing Roads:

See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

The proposed well site is located approximately 28 miles southeasterly of Myton, Utah.

-See attached TOPO Map "A".

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

The existing 2 track will be upgraded, maintained and repaired as necessary. No off- lease right-of-way is anticipated for the access road since road is located on lease. QEP Energy Company will obtain Uintah County encroachment permit before any construction takes place.

# 2. Planned Access Roads:

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM/VFO AO. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and gas Exploration and Development, Fourth Edition 2006.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed. If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes

develop, the holes shall be filled in and detours around the holes avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access road.

# 3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site-specific APD showing the location of existing wells within a one mile radius.

Please refer to Topo map C.

# 4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

- A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.
- All loading lines will be placed inside the berm surrounding the tank batteries.
- All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the BLM.
- It was determined on the onsite by the BLM VFO/AO that the facilities will be painted Covert Green.

# 5. <u>Location and Type of Water Supply:</u>

Fresh water will be obtained from Wonsits Valley water right # A36125 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

# 6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

# 7. <u>Methods of Handling Waste Materials:</u>

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

It was determined at the on-site inspection that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley water injection station located in the SWNW Section 12, T8S, R21E; or, the Red Wash disposal well located in the NESW, Section 28, T7S, R22E; or, the Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E, or third-party surface evaporative pits.

Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical porta-toilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the

drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

# 8. <u>Ancillary Facilities</u>:

This will be an independent well location. Product will be contained in two 500 bbl tanks and then transported from location to delivery site.

A suitable muffler will be installed on pumping unit to help reduce noise control.

# 9. Well Site Layout:

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pits, flare pit or flare box, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface material stockpile(s) will be included with the site specific APD.

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

- The reserve pit.
- The stockpiled topsoil (first six inches), will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.
- The flare pit or flare box will be located downwind from the prevailing wind direction.
- Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the on-site, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

# 10. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

- 39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground.
   The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched using a stretching device before it is attached to corner posts.
- The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed.

# 11. Reclamation Plan:

- Reclamation will follow Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 (Questar's Reclamation Plan) and the BLM Green River District Reclamation Guidelines.
- All trash and debris will be removed from the disturbed area.
- The disturbed area will be backfilled with subsoil.
- Topsoil will be spread to an even, appropriate depth and disced if needed.
- Water courses and drainages will be restored.
- Erosion control devices will be installed where needed.
- Seeding will be done in the fall, prior to ground freeze up.
- Seed mix will be submitted to a BLM AO for approval prior to seeding.
- Monitoring and reporting will be conducted as stated in Questar's Reclamation Plan. A reference site has been established and is included in this ROW application.
- Weed control will be conducted as stated in Questar's Reclamation Plan.

# **Dry Hole/Abandoned Location**

On lands administered by the BLM abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the reestablishment of irrigation systems; reestablishment of appropriate soil conditions; and, the reestablishment of vegetation as specified.

All disturbed surfaces will be recontoured to approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

At final abandonment, the Operator will cap the casing with a metal plate a minimum of 0.25 inch thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole. The depth of the permanent cap will be determined at the time of final abandonment. Long-term reclamation will then be applied and will follow the reclamation process described in this plan. When reclamation is deemed successful by the Operator and the BLM, the Operator will request a bond release.

# 12. Surface Ownership:

The well pad and access road are located on lands owned by: Bureau of Land Management 170 South 500 East Vernal, UT 84078

# 13. Other Information:

Drilling rigs and/or equipment used during drilling operations will not be stacked or stored on Federal lands or State administered lands after the conclusion of drilling operations or at any other time without authorization by the BLM Authorized Officer. If BLM authorization is obtained, such storage is only a temporary measure.

A Class III archeological survey was conducted by Montgomery Archaeology Consultants, MOAC Report No. 10-020. A copy of the report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance has been recommended for this project. If these surveys identify areas with a high probability of encountering potentially significant subsurface archaeological sites, QEP would provide a qualified archaeologist to monitor surface disturbance. If historic or archaeological materials are uncovered during construction, the Operator is to immediately stop work that might further disturb such materials and contact the Authorized Officer.

A paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted directly to the appropriate agencies by Stephen D. Sandau, **Report No. IPC 10-13**. The inspection for this project resulted in that number of fossils was found, therefore, it's recommend that a permitted paleontologist be present to monitor the construction process of the entire proposed access road. QEP will provide a qualified paleontologist to monitor surface disturbance. If any vertebrate fossils are found during construction of the

well pad, the Operator is to immediately stop work and contact the Authorized Office.

A habitat assessment and inventory was surveyed for Uintah Basin Hookless Cactus on April 21, 2010 by Western Biota, Inc. The inspection for this project resulted in no suitable or potential habitat within the proposed DS 16G-20-10-18.

Per the onsite meeting on May 18, 2010, the following items were requested/discussed.

- 6" topsoil
- Rounding corner two to avoid drainage as much as possible.
- On proposed access road the 1<sup>st</sup> drainage may require a low water crossing or culvert. It will be determined after construction takes place if either will be required.



11002 East 17500 South Vernal, UT 84078 Tel: 435.781.4300

Fax: 435.781.4329

August 10, 2010

Division of Oil, Gas & Mining 1594 W. N. Temple Ste. #1210 Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Energy Company's application to drill the DS 16G-20-10-18 is an exception to this rule due to topography.

DENTIAL

There is one other interested owner: Triple III Exploration Company has consented approval for this location involving the well site.

If you have any question please contact Jan Nelson @ (435) 781-4331 or Chad Matney @ (303)-308-3048.

Thank you,

Jan Nelson

Regulatory Affairs

June 17, 2010

Independence Plaza 1050 17th Street, Suite 500 Denver, CO 80265 Tel: 303.672.6900

Fax: 303.294.9632

III Exploration Company Attn: Mr. Paul Powell 960 Broadway, Ste. 500 Boise, Idaho 83707

RE: Request for agreement to exception locations
Uintah and Duchesne Counties, Utah

Mr. Powell:

Enclosed please find well plats for the following proposed wells:

- WR 16G-32-10-17 well, T10S-R17E-Sec. 32: SE/4, Duchesne County, UT
- WR 9G-5-10-17 well, T10S-R17E-Sec. 5: SE/4, Duchesne County, UT
- DS 9G-16-10-18 well, T10S-R18E-Sec. 16: SE/4, Uintah County, UT
- DS 13G-19-10-18 well, T10S-R18E-Sec. 19: SW/4, Uintah County, UT
- WR 4G-35-10-17 well, T10S-R17E-Sec. 35: NW/4, Duchesne County, UT
- DS 16G-20-10-18 well, T10S-R18E-Sec. 20: SE/4, Uintah County, UT

Because QEP Energy Company ("QEP") intends to drill these wells with surface locations outside of the allowable 400 foot "window", QEP hereby requests III Exploration Company and/or III Exploration II LP's ("III") consent to exception location pursuant to the Utah Administrative Code's, Rules 649-3-2 and 649-3-3.

Should III consent to these exception locations, please indicate III's consent and agreement by signing in the space below.

Should you have any questions, please contact me at 303-308-3048.

Sincerely,

**QEP ENERGY COMPANY** 

Chad W. Matney

Senior Landman

Cc: Phil Shepardson, Denver Office

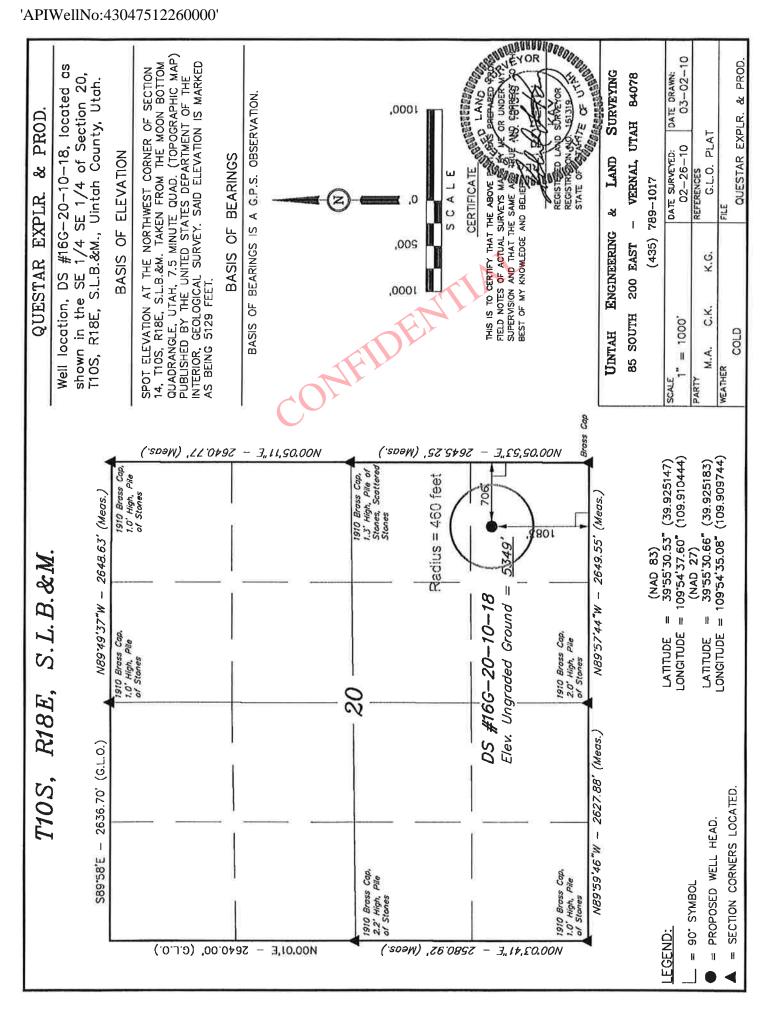
III hereby agrees and consents to the exception locations for each of the above listed wells.

Name:

Paul R. Powell

Title:

**Executive Vice President, COO** 



## Lessee's or Operator's Representative & Certification:

Jan Nelson Permit Agent QEP Energy Company 11002 East 17500 South Vernal, UT 84078 (435) 781-4331

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

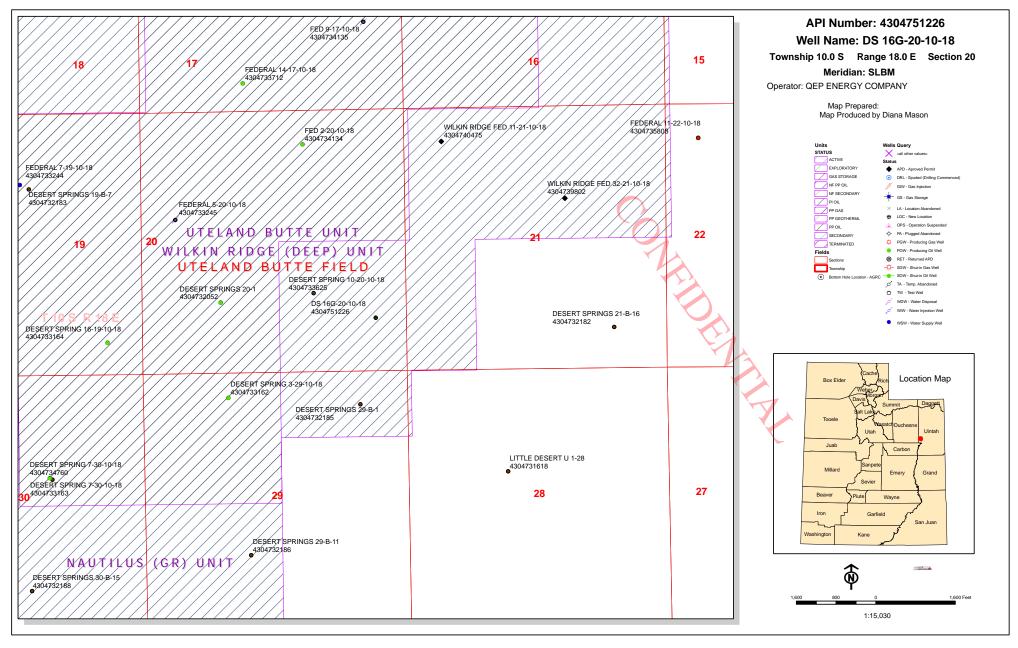
The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

San Melon	8/10/2010	
// Jan Nelson	Date	-



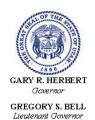
### WORKSHEET APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 8/10/2010 **API NO. ASSIGNED:** 43047512260000 WELL NAME: DS 16G-20-10-18 **PHONE NUMBER:** 435 781-4331 **OPERATOR:** QEP ENERGY COMPANY (N3700) **CONTACT:** Jan Nelson PROPOSED LOCATION: SESE 20 100S 180E Permit Tech Review: **SURFACE: 1083 FSL 0706 FEL Engineering Review:** BOTTOM: 1083 FSL 0706 FEL Geology Review: **COUNTY: UINTAH LATITUDE:** 39.92521 **LONGITUDE:** -109.90961 **UTM SURF EASTINGS:** 593180.00 **NORTHINGS: 4419815.00** FIELD NAME: UTELAND BUTTE LEASE TYPE: 1 - Federal **LEASE NUMBER: UTU-84264** PROPOSED PRODUCING FORMATION(S): GREEN RIVER **SURFACE OWNER:** 1 - Federal **COALBED METHANE: NO RECEIVED AND/OR REVIEWED: LOCATION AND SITING:**  PLAT R649-2-3. Bond: FEDERAL - ESB000024 Unit: **Potash** R649-3-2. General Oil Shale 190-5 Oil Shale 190-3 R649-3-3. Exception Oil Shale 190-13 **Drilling Unit** Water Permit: A36125 - 49-2153 **Board Cause No:** R649-3-3 **Effective Date: RDCC Review: Fee Surface Agreement** Siting: **Intent to Commingle** R649-3-11. Directional Drill **Commingling Approved Comments:** Presite Completed

> 1 - Exception Location - bhill 4 - Federal Approval - dmason 23 - Spacing - dmason

Stipulations:

API Well No: 43047512260000



# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

### **Permit To Drill**

\*\*\*\*\*

Well Name: DS 16G-20-10-18 API Well Number: 43047512260000 Lease Number: UTU-84264 Surface Owner: FEDERAL

**Approval Date:** 8/11/2010

#### **Issued to:**

QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

#### **Authority:**

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

#### **Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

#### **Exception Location:**

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

#### General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### **Conditions of Approval:**

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

API Well No: 43047512260000

#### **Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at https://oilgas.ogm.utah.gov

#### **Reporting Requirements:**

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) due prior to implementation
- Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
- Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

**Approved By:** 

Acting Associate Director, Oil & Gas

Sundry Number: 17438 API Well Number: 43047512260000

	STATE OF UTAH		FORM 9				
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINII	NG	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-84264				
SUND	RY NOTICES AND REPORTS O	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
	sals to drill new wells, significantly deepen ex igged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:				
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: DS 16G-20-10-18						
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047512260000				
3. ADDRESS OF OPERATOR: 11002 East 17500 South , Ver		NUMBER: 8 Ext	9. FIELD and POOL or WILDCAT: UTELAND BUTTE				
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1083 FSL 0706 FEL			COUNTY: UINTAH				
QTR/QTR, SECTION, TOWNSHI	IP, RANGE, MERIDIAN: Township: 10.0S Range: 18.0E Meridian: S		STATE: UTAH				
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT	, OR OTHER DATA				
TYPE OF SUBMISSION		TYPE OF ACTION					
	☐ ACIDIZE ☐	ALTER CASING	CASING REPAIR				
✓ NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME				
8/11/2012	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE				
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION				
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK				
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION				
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION ☐	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON				
·	☐ TUBING REPAIR ☐	VENT OR FLARE	☐ WATER DISPOSAL				
☐ DRILLING REPORT	☐ WATER SHUTOFF ☐	SI TA STATUS EXTENSION	✓ APD EXTENSION				
Report Date:	☐ WILDCAT WELL DETERMINATION ☐	1	OTHER:				
			<u></u>				
QEP ENERGY COMPAI	OMPLETED OPERATIONS. Clearly show all pertin NY HEREBY REQUESTS A ONE Y PD ON THE ABOVE CAPTIONED	EAR EXTENSION FOR TH					
		•	L 00 cal 10				
		E	By: Down Hold				
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE					
Valyn Davis	435 781-4369	Regulatory Affairs Analyst					
SIGNATURE N/A		<b>DATE</b> 8/9/2011					

Sundry Number: 17438 API Well Number: 43047512260000



#### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### Request for Permit Extension Validation Well Number 43047512260000

**API:** 43047512260000 **Well Name:** DS 16G-20-10-18

Location: 1083 FSL 0706 FEL QTR SESE SEC 20 TWNP 100S RNG 180E MER S

Company Permit Issued to: QEP ENERGY COMPANY

**Date Original Permit Issued:** 8/11/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated?   Yes  No
<ul> <li>Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?</li> <li>Yes </li> <li>No</li> </ul>
• Has the approved source of water for drilling changed? 🔵 Yes 🌘 No
<ul> <li>Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?</li> <li>Yes</li> <li>No</li> </ul>
• Is bonding still in place, which covers this proposed well?   Yes   No

**Signature:** Valyn Davis **Date:** 8/9/2011

Title: Regulatory Affairs Analyst Representing: QEP ENERGY COMPANY

Form 3160-3 (August 2007)

# RECEIVED

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTAUG 1 0 2010

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

5. Lease Serial No. UTU84264

	U	100	4204		
_					

APPLICATION FOR PERMIT	6. If Indian, Allottee or Tribe Name						
1a. Type of Work:   DRILL   REENTER	CONFIDENTIAL	7. If Unit or CA Agreement,	Name and No.				
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Ott  2. Name of Operator Contact:		8. Lease Name and Well No. DS 16G-20-10-18					
QEP ENERGY COMPANY E-Mail: jan.nels	JAN NELSON on@gepres.com	9. API Well No. 43 - 047 - 51.	22 <sup>†</sup> la				
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4395	10. Field and Pool, or Explor UTELAND BUTTE	atory				
4. Location of Well (Report location clearly and in accord-	,	11. Sec., T., R., M., or Blk. a	nd Survey or Area				
	9.92515 N Lat, 109.91044 W Lon	Sec 20 T10S R18E M	ler SLB				
At proposed prod. zone SESE 1083FSL 706FEL 39		·					
14. Distance in miles and direction from nearest town or post 28 MILES SOUTHEASTERLY OF MYTON, UT	office*	12. County or Parish UINTAH	13. State UT				
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated to	this well				
706	160.00	40.00					
<ol> <li>Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.</li> </ol>	19. Proposed Depth	20. BLM/BIA Bond No. on fi	le				
1250	4850 MD	ESB000024					
21. Elevations (Show whether DF, KB, RT, GL, etc. 5349 GL	22. Approximate date work will start 12/01/2010	23. Estimated duration 7 DAYS					
	24. Attachments		<del></del>				
The following, completed in accordance with the requirements of	f Onshore Oil and Gas Order No. 1, shall be attached to t	this form:					
<ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the location is on National Forest Syste SUPO shall be filed with the appropriate Forest Service Off</li> </ol>	em Lands, the 5. Operator certification	ns unless covered by an existing community or and/or plans as may be	•				
25. Signature (Electronic Submission)	Name (Printed/Typed) JAN NELSON Ph: 435-781-4331	Date 08/10/2010					
Title PERMIT AGENT							
Approved by (Signature)	Name (Printed/Typed)  Jerry Kenczka		Pate FEB 1 7 20'				
Title Assistant Field Manager	Office VEDNAL FIELD OF	FIAE	4.5				
Lands & Mineral Resources  Application approval does not warrant or certify the applicant homogeneous	lds legal or equitable title to those rights in the subject le	ase which would entitle the appl	icant to conduct				
Conditions of approval, if any, are attached.	ONS OF APPROVAL ATTACHED						
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, n States any false, fictitious or fraudulent statements or representati	nake it a crime for any person knowingly and willfully to ons as to any matter within its jurisdiction.	make to any department or ager	ncy of the United				
Electronic Submiss	ion #91160 verified by the BLM Well Inform	ation System					
Committed to AFMS	EP ENERGY COMPANY, sent to the Vernal S for processing by ROBINR. HANSEN on	08/18/2010 ()					

**NOTICE OF APPROVAL** 

FEB 27 2012

NOS 4/29/10

AFMSS# 10RRH0313 AE

DIV. OF OIL, GAS & MINING



## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



## CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	QEP Energy, Inc.	Location:	SESE, Sec. 20, T10S, R18E
Well No:	DS 16G-20-10-18	Lease No:	UTU-84264
API No:	43-047-51226	Agreement:	N/A

**OFFICE NUMBER:** 

170 South 500 East

(435) 781-4400

**OFFICE FAX NUMBER:** 

(435) 781-3420

# A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

#### **NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)		Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prier to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

#### SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO<sub>x</sub> per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO<sub>x</sub> per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop
  work and contact the Authorized Officer (AO). A determination will be made by the AO as to what
  mitigation may be necessary for the discovered paleontologic material before construction can
  continue.
- QEP Energy Company will drill two oil wells: DS 16G-20-10-18, in SE/SE of Section 20, Township 10 South, Range 18 East, Uintah County, Utah, and 4G-35-10-17, in NW/NW of Section 35, Township 10 South, Range 17 East, Duchesne County. The project area is located approximately 20 miles south of Myton, UT.
- The construction of the wells and access roads will result in approximately 14.53 acres of new surface disturbance. The well pads will result in approximately 6.51 acres of surface disturbance.
- The project will include the construction/installation of a wellhead and pumping unit, two storage tanks; spoil dirt stockpile(s), surface material stockpile(s), and a reserve pit at the well site.
- The drilling rig will be powered by a Tier II or better diesel engine.
- The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. The reserve pits for the wells will be lined with a 20 ml liner with felt.
- A dike will be constructed around those production facilities that contain fluids. The dikes will be constructed of compacted subsoil. They will be impervious, hold 10 percent more than the capacity of the largest tank, and be independent of the back cut.
- All permanent (meaning on site for six months or longer) structures will be painted Covert Green to
  match the surrounding landscape color unless otherwise authorized. This will include all facilities
  except those required to comply with Occupational Safety and Health Act (OSHA) regulations.
- If dry, the wells will be plugged and abandoned as per BLM and State of Utah requirements.
- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horse power must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower-hour.
- All new and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 grams of NOx per horsepower-hour.

Page 3 of 9 Well: DS 16G-20-10-18 2/21/2012

 The following would be used as standard operating procedures: Green completion or controlled VOC emissions methods with 90% efficiency for Oil or Gas Atmospheric Storage Tanks, VOC Venting controls or flaring, Glycol Dehydration and Amine Unites, Well Completion, Re-Completion, Venting, and Planned Blowdown Emissions.

- Approximately 11,648 feet of new access road will be constructed in order to access the proposed wells. The access roads will require a 30 foot width during construction, and will be maintained as an 18 foot width running surface. Construction of the proposed access roads will result in 8.02 acres of new surface disturbance. A BLM right-of-way (ROW) will be required for the WR 4G-35-10-17 because most of the access road is not on lease.
- No pipelines are proposed for this project.
- Prior to construction, an invasive plants/noxious weeds inventory will be completed for all areas where surface disturbance will occur. A completed Weed Inventory form documenting any occurrences of invasive plants or noxious weeds will be submitted to the BLM Authorized Officer before surface disturbance will occur.
- The operator will control noxious/invasive weeds along their roads, pipelines, well sites, or other applicable facilities by the application of herbicides or by mechanical removal until reclamation is considered to be successful by the authorized officer (AO) and the bond for the well is released. A list of noxious weeds will be obtained from the BLM or the appropriate county extension office. On BLM-administered land, the operator will submit a Pesticide Use Proposal and obtain approval prior to the application of herbicides, other pesticides, or possible hazardous chemicals.
- Immediately upon well completion, the location and surrounding area shall be cleared of all unused tubing, equipment, debris, materials, and trash. Any hydrocarbons in the pit will be removed in accordance with 43 CFR 3162.7-1.
- The reserve pit and the portion of the well not needed for production facilities/operations shall be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, or as soon as environmental conditions allow. The stockpiled pit topsoil will then be spread over the pit area and broadcast-seeded/drill seeded (preferred method) with a seed mix submitted to the BLM Authorized Officer (AO) for approval prior to seeding. Seeding will be done in the fall prior to winter freezing of the soil. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or other heavy equipment. If initial seeding is not successful, reseeding may be required.
- Once the well is plugged and facilities are removed and abandoned, the topsoil shall be stripped
  and stockpiled off of the location, and the well site, pipelines, and access roads will be returned to
  natural contours. The topsoil shall be respread, and the location seeded with the mixture submitted
  to the BLM AO. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or
  other heavy equipment.
- Interim reclamation, final reclamation, and monitoring of reclaimed areas will be completed in accordance with the Questar Exploration and Production Company, Uinta Basin Division's Reclamation Plan, September 2009 on file with the Vernal Field Office of the BLM.
- Prior to any surface disturbance, vegetative monitoring locations and reference sites will be
  identified by QEP and approved by the BLM AO. Vegetation monitoring protocol will be developed
  by QEP and approved by the BLM AO prior to implementation of revegetation techniques and will
  be designed to monitor % basal vegetative cover.

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- Revegetated areas will be inspected annually and monitored to document location and extent of
  areas with successful revegetation, and areas needing further reclamation (for a period of 5 years
  after construction completion). A reclamation report will be submitted to the AO by March 31 of
  each year.
- All vehicles and equipment shall be cleaned either through power-washing, or other approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- A muffler will be used on the pump-jack upon completion in order to reduce noise levels.
- QEP has committed to have a permitted paleontologist be present to monitor the construction process for the entire access road for the DS 16G-20-10-18, and the portion of the access road which runs through Sec. 23, 24, and 26 of T. 10 S. R. 17 E.
- During operations, if any vertebrate paleontological resources are discovered, in accordance with section 6 Form 3100-11 and 43 CFR 3162.1, all operations affecting such sites shall be immediately suspended, and all discoveries shall be left intact until authorized to proceed by the Authorized Officer. The Authorized Officer of the BLM office shall be notified within 48 hours of the discovery, and a decision as to the preferred alternative/course of action would be rendered.
- Telemetry will be installed to remotely monitor and control production.
- Water or other approved suppressants would be used during construction activities to abate fugitive dust.
- Signs will be installed on the access roads advising speeds of 25 MPH during the drilling phase to decrease fugitive dust from truck traffic.
- Re-initiation of section 7 consultation with the USFWS will be sought immediately if any loss of
  plants or occupied habitat for Uinta Basin hookless cactus is anticipated as a result of project
  activities.
- The best method to avoid entrainment is to pump from an off-channel location one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
  - o do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
  - limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
  - o limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32" mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's
  document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream
  intake that operate in stream reaches where larval fish may be present, the approach velocity will
  not exceed 0.33 feet per second (ft/s).

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- Report any fish impinged on the intake screen to the Service (801-975-3330) and the Utah Division of Wildlife Resources:
  - Northeastern Region 152 East 100 North, Vernal, UT 84078
  - Phone: (435) 781-9453
- QEP will educate its contractors and employees about the relevant federal regulations intended to
  protect cultural resources. All vehicular traffic, personnel movement, construction and restoration
  activities shall be confined to areas cleared by the site inventory and to existing roads. In the event
  historic or archaeological resources are uncovered during construction, work will stop immediately
  and the appropriate BLM AO will be notified.

#### DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

#### SITE SPECIFIC DOWNHOLE COAs:

The production casing will be cemented to 200' above the surface shoe.

#### Variances Granted:

#### Air Drilling:

Variance requests listed in Section 6 of your drilling plan are approved.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

#### DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily
  drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order
  No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a
  test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's
  log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is
  encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal
  Field Office.

Page 7 of 9 Well: DS 16G-20-10-18 2/21/2012

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
   Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to BLM\_UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 8 of 9 Well: DS 16G-20-10-18

2/21/2012

#### **OPERATING REQUIREMENT REMINDERS:**

 All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
  notified when it is placed in a producing status. Such notification will be by written communication
  and must be received in this office by not later than the fifth business day following the date on
  which the well is placed on production. The notification shall provide, as a minimum, the following
  informational items:
  - o Operator name, address, and telephone number.
  - o Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs,

Page 9 of 9 Well: DS 16G-20-10-18 2/21/2012

core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to
  the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first.
  All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All
  product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in
  accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
  lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
  suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
  obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
  equipment shall be removed from a well to be placed in a suspended status without prior approval
  of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
  approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
  of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office
  Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in
  order that a representative may witness plugging operations. If a well is suspended or abandoned,
  all pits must be fenced immediately until they are backfilled. The "Subsequent Report of
  Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of
  the well bore, showing location of plugs, amount of cement in each, and amount of casing left in
  hole, and the current status of the surface restoration.

Sundry Number: 24081 API Well Number: 43047512260000

	STATE OF UTAH				FORM 9
ı	DEPARTMENT OF NATURAL RESOU DIVISION OF OIL, GAS, AND M		3	5.LEASE UTU-84	DESIGNATION AND SERIAL NUMBER: 1264
SUNDR	Y NOTICES AND REPORTS	S ON	WELLS	6. IF INDI	AN, ALLOTTEE OR TRIBE NAME:
	posals to drill new wells, significant eenter plugged wells, or to drill hori n for such proposals.		7.UNIT or	CA AGREEMENT NAME:	
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: DS 16G-20-10-18				
2. NAME OF OPERATOR: QEP ENERGY COMPANY				<b>9. API NU</b> 430475	MBER: 12260000
3. ADDRESS OF OPERATOR: 11002 East 17500 South ,	Vernal, Ut, 84078 3		NE NUMBER: -3068 Ext		and POOL or WILDCAT: ID BUTTE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1083 FSL 0706 FEL				COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSH	IIP, RANGE, MERIDIAN: D Township: 10.0S Range: 18.0E Mer	idian: S	3	STATE: UTAH	
11. CHECI	K APPROPRIATE BOXES TO INDIC	ATE N	ATURE OF NOTICE, REPOR	T, OR O	THER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
□ NOTICE OF INTENT	ACIDIZE  CHANGE TO PREVIOUS PLANS		ALTER CASING		CASING REPAIR CHANGE WELL NAME
Approximate date work will start:	CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS		CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	☐ F	FRACTURE TREAT		NEW CONSTRUCTION
	OPERATOR CHANGE	☐ F	PLUG AND ABANDON		PLUG BACK
SPUD REPORT Date of Spud:	PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION
3/20/2012	REPERFORATE CURRENT FORMATION		SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON
DRILLING REPORT	L TUBING REPAIR		/ENT OR FLARE		WATER DISPOSAL
Report Date:	WATER SHUTOFF	□ s	SI TA STATUS EXTENSION		APD EXTENSION
	WILDCAT WELL DETERMINATION		OTHER	OTHE	R:
ON 03/20/2012- DR	COMPLETED OPERATIONS. Clearly sho ILLED 40' OF 20" CONDUC JCTOR PIPE. CEMENTED W	CTOR	HOLE. SET 40' OF	oii FOR	umes, etc. Accepted by the Utah Division of I, Gas and Mining R RECORD ONLY Iarch 21, 2012
NAME (PLEASE PRINT) Valyn Davis	<b>PHONE NUM</b> 435 781-4369	/IBER	TITLE Regulatory Affairs Analyst		
SIGNATURE N/A			<b>DATE</b> 3/21/2012		

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

			ENTITY ACTIO	N FORM						
Operator:	QEP I	ENERGY COMPANY		Ope	erator A	count N	umber:	N 3700		
ddress:	11002	EAST 17500 SOUTH			-,, -,,,-,,,	2000,111	arribor.			
	city VI	ERNAL		***********						
	state	<u>JT</u>	zip 84078	<del>lui</del>	F	Phone Ni	ımber	(435) 781-4369		
Well 1				<del></del>	·					
API Nu	mber	Well	Name	QQ	Sec	Twp	Dna	I		
430475	1226	DS 16G-20-10-18		SESE	20	10S	Rng 18E	County		
Action	Code	Current Entity Number	New Entity Number		pud Da		18E UINTAH  Entity Assignment Effective Date			
A		99999	18475		3/20/201	2	<del> </del>			
Comment	s: GDD	V	110911		A 374776 6		INCL	3012012		
	GKK	<u> </u>				CONF		IIAL		
Well 2										
API Nu	mber	Well Name QQ		Sec	Twp	Rng	County			
Action	Code	Current Entity Number	New Entity Number				tity Assignment Effective Date			
Comment	S:					:				
Vell 3 API Nur	nhar	I W. II	N 200 2							
AFINUI	nber	vveii	Name	QQ	Sec	Twp	Rng	County		
Action (	Code	Current Entity Number	New Entity Number	s	pud Dat	е	Ent E	ity Assignment iffective Date		
Comments	<b>3:</b>			1			·			
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B - Add ne C - Re-as: D - Re-as:	ish new e ew well to sign well t sign well t	ntity for new well (single we existing entity (group or user) from one existing entity to from one existing entity to not one existing entity to the from one existing entity to the from entity section)	init well) another existing entity	Name V( Signa		Print),	O(L)	3/21/2012		

(5/2000)

MAR 2 1 2012



# DIVISION OF OIL, GAS AND MINING

# SPUDDING INFORMATION

Name of Company: QEP ENERGY Com PANY
Well Name: DS /6G -20-/0-/8
Api No. 43-047-5/436 Lease Type: FEDERAL
Section 30 Township 105 Range 185 County UINTAH
Drilling Contractor PROPETRO RIG # 3
SPUDDED:
Date 03/39/3012
Time
HOW ROTARY
Drilling will commence
Reported by DAVID REID
Telephone # (435) 8 ag-03 %
- 12/20/20/20/20 CMO
Date: 03/30/2012 Signed: CHO

Sundry Number: 24350 API Well Number: 43047512260000

	STATE OF UTAH		FORM 9			
	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MINI		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-84264			
SUNDF	RY NOTICES AND REPORTS C	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
	oposals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME:			
1. TYPE OF WELL Oil Well			8. WELL NAME and NUMBER: DS 16G-20-10-18			
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047512260000			
3. ADDRESS OF OPERATOR: 11002 East 17500 South,		PHONE NUMBER: 308-3068 Ext	9. FIELD and POOL or WILDCAT: UTELAND BUTTE			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1083 FSL 0706 FEL			COUNTY: UINTAH			
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: 0 Township: 10.0S Range: 18.0E Meridia	n: S	STATE: UTAH			
11. CHEC	K APPROPRIATE BOXES TO INDICATE	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION				
	ACIDIZE [	ALTER CASING	CASING REPAIR			
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME			
	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE			
	DEEPEN [	FRACTURE TREAT	NEW CONSTRUCTION			
	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK			
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION			
Date of Spud.	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON			
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL			
DRILLING REPORT Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	APD EXTENSION			
	CHANGE TO PREVIOUS PLANS  CHANGE TO PREVIOUS	OTHER	OTHER: SET CASING			
QEP ENERGY COM -DRILLED 12 1/4" F -CEMENTED WITH 27	COMPLETED OPERATIONS. Clearly show all PANY PERFORMED THE FOLL HOLE TO 463', -SET 9 5/8" J-5 75 SACKS CLASS G CEMENT. C HAT THIS INFORMATION BE HE	OWING ON 03/29/2012: 55 ST&C, 36# CASING, DEP ENERGY COMPANY	Accepted by the Utah Division of			
NAME (PLEASE PRINT) Valyn Davis	<b>PHONE NUMBE</b> 435 781-4369	R TITLE Regulatory Affairs Analyst				
SIGNATURE N/A		DATE 4/3/2012				

Sundry Number: 25600 API Well Number: 43047512260000

	STATE OF UTAH			FORM 9				
ı	DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS, AND MI		e e e e e e e e e e e e e e e e e e e	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-84264				
SUNDR	Y NOTICES AND REPORTS	ON	WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
Do not use this form for procurrent bottom-hole depth, IFOR PERMIT TO DRILL form	pen existing wells below laterals. Use APPLICATION	7.UNIT or CA AGREEMENT NAME:						
1. TYPE OF WELL Oil Well				8. WELL NAME and NUMBER: DS 16G-20-10-18				
2. NAME OF OPERATOR: QEP ENERGY COMPANY				9. API NUMBER: 43047512260000				
3. ADDRESS OF OPERATOR: 11002 East 17500 South ,	Vernal, Ut, 84078 30		DNE NUMBER: -3068 Ext	9. FIELD and POOL or WILDCAT: UTELAND BUTTE				
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1083 FSL 0706 FEL				COUNTY: UINTAH				
QTR/QTR, SECTION, TOWNSH	<b>HP, RANGE, MERIDIAN:</b> 0 Township: 10.0S Range: 18.0E Merio	dian: S	S	STATE: UTAH				
11. CHECI	K APPROPRIATE BOXES TO INDICA	ATE N	ATURE OF NOTICE, REPOR	RT, OR OTHER DATA				
TYPE OF SUBMISSION			TYPE OF ACTION					
	ACIDIZE		ALTER CASING	CASING REPAIR				
NOTICE OF INTENT								
Approximate date work will start:	CHANGE TO PREVIOUS PLANS		CHANGE TUBING	☐ CHANGE WELL NAME				
✓ SUBSEQUENT REPORT	CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE				
SUBSEQUENT REPORT Date of Work Completion: 5/9/2012	DEEPEN	LJ F	FRACTURE TREAT	NEW CONSTRUCTION				
3/9/2012	OPERATOR CHANGE	F	PLUG AND ABANDON	PLUG BACK				
SPUD REPORT	✓ PRODUCTION START OR RESUME	☐ F	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION				
Date of Spud:	REPERFORATE CURRENT FORMATION		SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON				
	TUBING REPAIR		VENT OR FLARE	WATER DISPOSAL				
DRILLING REPORT Report Date:	WATER SHUTOFF	П.	SI TA STATUS EXTENSION	APD EXTENSION				
Report Date.			SI TA STATUS EXTENSION					
	WILDCAT WELL DETERMINATION		OTHER	OTHER:				
l .	COMPLETED OPERATIONS. Clearly shov			Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY May 16, 2012				
NAME (PLEASE PRINT)	PHONE NUM	BER	TITLE					
Valyn Davis	435 781-4369	_	Regulatory Affairs Analyst					
SIGNATURE N/A			<b>DATE</b> 5/14/2012					

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OUR GAS AND MINING

					JUAL KESU			100	3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	<u>(h</u>	ghlight c	nanges	)		
		DIVIS	ION OF	OIL, G	AS AND I	MININ	G				EASE DES UTU84		N AND S	ERIAL NUMBI	ER:
WEL	L COMPI	ETION	OR R	ECON	IPLETIC	ON R	EPOF	RT AND	LOG		F INDIAN, A		OR TRI	BE NAME	
1a. TYPE OF WELL	-	OIL V	GA Wi	us 🔲	DRY		ОТН	IER		7. l	JNIT or CA	AGREEM	ENT NAM	1E	
b. TYPE OF WOR NEW WELL	K: HORIZ, LATS.	DEEP-	] RE	itry 🔲	DIFF. RESVR.		ОТН	IED			WELL NAME				
2. NAME OF OPER						<del></del>					API NUMBE				
	rgy Compai	าy									43-047		Lo		
3. ADDRESS OF 0 1050 17th S	St. Suite 50		enver	3	STATE CO	zie 80	265		NUMBER: 3) 672-6900	10 F	TELD AND Uteland			AT	
<ol> <li>LOCATION OF V AT SURFACE:</li> </ol>	VELL (FOOTAGES 1083 FSL					tri .					ARREST AREA	Action and a second		SHIP, RANGE	
	JCING INTERVAL								endere de de deservir (n. 15.15. 2000 Millord de de de Robert,	S	ESE	20	10S	18E	
							1 1 1 1 1 1	10 30000000	VI 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<u> </u>					
	тн: 1083 FS										COUNTY <b>Jinta</b>			I3. STATE (	JTAH
14. DATE SPUDDE 4/6/2012	4/	11/2012		5/9/20		Harrie .	ABANDON	ED 🔲	READY TO PRODUC	DE 🗸	17. ELEV 53	ATIONS (		, RT, GL):	
18. TOTAL DEPTH:	MD 4,800 TVD 4,800		19. PLUG B		<sup>MD</sup> 4,756 ™ 4,756		20. IF	MULTIPLE CO	OMPLETIONS, HOW	MANY? *	21. DEPT PLU	H BRIDG G SET:	E MD		
22. TYPE ELECTRI	C AND OTHER M	ECHANICAL LO	GS RUN (Su	bmit copy o	f each)			23.			<u> </u>		102		<u> </u>
Quad Comb	00							WAS WEL	L CORED?	NO	✓ Y	s 🔲	(Sub	nit analysis)	
								WAS DST	RUN?			s 🗌	(Sub	nit report)	
24 CASING AND I	INER RECORD (F				· · · · · · · · · · · · · · · · · · ·			DIRECTIO	NAL SURVEY?	NO	<b>✓</b> YI	s	(Subi	nit copy)	
24. CASING AND L	INER RECORD (R	eport all string	s set in well	)											
HOLE SIZE	SIZE/GRADE	WEIGH	Γ (#/ft.)	TOP (MD	) вотто	OM (MD)		CEMENTER CEMENT TYPE & NO. OF SACKS			SLURRY VOLUME (BBL) CEME		Г ТОР **	AMOUNT	PULLED
7.875	5.5 <b>J-</b> 5	55 15	.5	0	4,7	780			615		297		950		
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	TAIN.'. FOR THE LINE	10000													
25, TUBING RECO									···						
2.875	DEPTH SET	<del>```</del>	(ER SET (MD	))	SIZE	DEPTH	SET (MD	PACKER	R SET (MD)	SIZE	DE	PTH SET	(MD)	PACKER SI	ET (MD)
2.073 26. PRODUCING IN	4,656	<u> </u>	<del></del> -	<u></u>		<u>L</u>									
FORMATION		TOP (MD)	воттом	(MD)	TOP (TVD)	BOTTO	M (TVD)		RATION RECORD	SIZE	No uous	<u> </u>	252501		
(A) Green Riv		4,624	4,65	<u>`</u>		50110	W. (170)	4,524	4,529	.35	NO. HOLE <b>20</b>			RATION STAT	us T
(B)		.,02.	1,00			╅┈┈		4,650	4,655	.35		Oper		Squeezed Squeezed	
(C)	<del></del>				7	<del>                                     </del>		7,000	4,000	.55	20	Oper Oper	=	Squeezed	<del>- </del>
(D)			<del>                                     </del>			<del>                                     </del>		6 24 24 34 34 34 34 34 34 34 6 24 24 24 24 24 24 34 34 6 24 24 24 24 24 24 24 24				Oper		Squeezed	┽—
28. ACID, FRACTU	RE, TREATMENT,	CEMENT SQU	EEZE, ETC.	<b>I</b>		<u> </u>					<u> </u>	Орег		Oqueezea [	
DEPTH	INTERVAL			· · · · · · · · · · · · · · · · · · ·			AM	T DNA TNUC	YPE OF MATERIAL						
4524 to 465	5	258	BBL 2%	6 KCL 1	138 BBI 1	15% K			eltaFrac 140,	Sand	10 600	I B 16	3/30	AUN BBI	20/40
				· · · · · · · · · · · · · · · · · · ·			<del>0., 00.</del>	55250	sital 140 140,	Caria	10,000	LD IC	<i>1</i> 130, .	TOK DDI	20/40
			· · · · · · · · · · · · · · · · · · ·	**	<del></del>					····				<del></del>	
29. ENCLOSED AT	TACHMENTS:												30. WEL	L STATUS:	-
	RICAL/MECHANIC		O CÉMENT V	FRIFICATIO		GEOLOGI	IC REPOR		DST REPORT	_	CTIONAL SU	RVEY	(	Dil We	II
·			RECEI					, res							

FORM 8

JUN 1 1 2012

(CONTINUED ON BACK)

	PRODUCTION

#### INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 5/9/2012		TEST DATE: 5/11/201	2	HOURS TESTE	D: 24	TEST PRODUCTION RATES: →	OIL - BBL: 35	GAS - MCF:	WATER – BBL:	PROD. METHOD: Pumping
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		GAS - MCF:	WATER - BBL:	INTERVAL STATUS:
				INI	ERVAL B (As sho	wn in item #26)	· <del>/</del> -	<u>-</u>		
DATE FIRST PR	RODUCED:	TEST DATE:		HOURS TESTE	D:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:
				INT	ERVAL C (As show	wn in item #26)	<u>, , , , , , , , , , , , , , , , , , , </u>	<u> </u>	<u></u>	<u> </u>
DATE FIRST PR	RODUCED:	TEST DATE:		HOURS TESTE	D;	TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF;	WATER BBL:	INTERVAL STATUS:
				INT	ERVAL D (As show	wn in item #26)	<u>.L</u>			<u> </u>
DATE FIRST PRODUCED: TEST DATE:		HOURS TESTE		TEST PRODUCTION RATES: →	OIL – BBL;	GAS - MCF:	WATER - BBL:	PROD. METHOD:		
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER – BBL:	INTERVAL STATUS:
32. DISPOSITIO	ON OF GAS (Sold,	Used for Fuel, V	ented, Etc.)	- <b>-</b>		<u> </u>				

33. SUMMARY OF POROUS ZONES (Include Aquifers):

34. FORMATION (Log) MARKERS:

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Green River Uteland Butte A Sand C Lime	1,150 4,479 4,479 4,648

35. ADDITIONAL REMARKS (Include plugging procedure)

30. Thereby certify that the foregoing and attached information	i is complete and correct as determined from all available i	records.

NAME (PLEASE PRINT) Andrew Sohmid

TITLE Engineering Technician

SIGNATURE A

DATE 6/4/2012

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to:

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Page 1 of 3

# **Operations Summary Report**

Well Name: DS 16G-20-10-18 Location: 20- 10-S 18-E 27

Rig Name: AZTEC

Spud Date: 3/2

3/21/2012

Rig Release: 4/12/2012 Rig Number: 950

	7,2120				Rig Number: 950
Date	From - To	Hours	Code	Sub Code	Description of Operations
3/21/2012	10:00 - 16:00	6.00	LOC	2	MOVE IN PETE MARTING AUGER RIG, DIG AND SET 14" CONDUCTOR TO 40'
-,,_	70.00	0.00	200	2	AND CEMENT. DIG AND LINE MOUSE HOLE. RIG DOWN AND MOVE OUT
3/30/2012	06:00 - 08:30	2.50	LOC	4	MOVE IN AND RIG UP AIR RIG
	08:30 - 09:30	1.00	TRP	1	PICK UP BHA AND TAG BOTTOM @ 40'
	09:30 - 14:00	4.50	DRL	1	AIR DRILL F/40' T/475
	14:00 - 15:00	1.00	TRP	3	LAY DOWN DRILL PIE
	15:00 - 16:00	1	CSG	2	RUN 11 JOINT OD 9 5/8",36.0#, J-55 ST&C CASING TO 463'
	16:00 - 18:00	2.00	CMT	2	PUMP CEMENT56.1 BBLS OF 15.8# CEMENT, DISPLACE WITH 32.5 BBLS OF WATER. PLUG BUMPED AND FLOATS HELD,16 BBLS OF CEMENT BACK TO SURFACE. CEMENT DROPPED 2'-NO TOP JOB NEEDED
	18:00 - 19:30 19:30 -	1.50	LOC	4	RIG DOWN AND MOVE TO NEW LOCATION NOTIFIED BLM BY ELECTRONIC NOTICE AND CALED ALAN WALKER @10:30 HRS ON 3/27/2012 AND NOTIFIED CAROL DANIELS BY PHONE @ 10:30 HRS
4/2/2012	06:00 - 18:00	12.00	LOC	4	ON 3/27/202 IN REGUARDS TO DRILLING AND SETTING SURFACE CASING RIG DOWN ON OLD LOCATION AND MOVING TO NEW LOCATION. MOVE AND SET UP HOUSES, RIG ALL OF THE RIG DOWN AND START HAULING TO NEW LOCATION. STILL HAVE TO PULL DERRICK OFF UNIT AND HAUL
					RIG 90% RIGGED DOWN60% HAULED AND 10% RIGGED UP
4/0/0040	18:00 - 06:00	12.00			WAIT ON DAYLIGHT
4/3/2012	06:00 - 19:00	13.00	LOC	4	FINISH MOVING FROM OLD LOCATION TO NEW. PUT DERRICK BACK ON CARRIER AND ALL OF SET RIG IN PLACE.
	19:00 - 06:00	11.00	отн		WAIT ON DAYLIGHT
4/4/2012	06:00 - 06:00	24.00	LOC	4	RIG UP BACK YARD, RIG UPFLOOR AND TOP DRIVE. REAIR FINGERS ON
					BOARD, RECIEVE 4 /12" DRILL STRING
	: -				SENT ELECTRONIC NOTICE IN ON 4/02/2012 @ 18:00 HRS AND CALLED CARLO DANIALS WITH UOGC AND ALAN WALKER WITH THE BLM @ 16:00
4/5/2012	06:00 - 09:30	3.50	LOC	4	HRS ON 4/03/2012 IN REGUARDS TO TEST THE BOP'S.
0,2012	09:30 - 17:30	t	BOP	1	FINISH RIGGING UP AND DO PRESPUD INSPECTION NIPPLE UP BOPE
	17:30 - 22:30	ł .	BOP	2	PRESSURE TEST BOPE AND MUD LINE.AND CASING RIG ON DAYWORK @
					17:30 HRS, 4/4/2012
	22:30 - 23:00		BOP	2	R/D TESTERS
	23:00 - 03:00		ОТН		R/U BLEED OFF LINE AND COMPLETED PRE SPUD CHECK LIST
	03:00 - 04:00	1	ОТН		SET WEAR BUSHING
	04:00 - 05:30	1	TRP	1	P/U BHA, AND TRIP IN HOLE
1/6/2042	05:30 - 06:00	1	OTH		INSTALL ROTATING HEAD ELEMENT
1/6/2012	06:00 - 08:30	l	DRL	4	DRILLING OUT CEMENT AND CASING EQUIPMENT
	08:30 - 09:00 09:00 - 09:30	l	EQT	2	FIT EQV MUD WEIGHT 10. PPG
			RIG DRL	1	RIG SERVICE
	09:30 - 13:00	3.50	DKL	1	DRILLING FROM 491 TO 676 FT MADE 185 FT IN 3.5 HRS 52.8 FPH, WOB 12
	13:00 - 13:30	0.50	SUR	1	RPM 110, 410 GPM RAN WIRE LINE SURVEY AT 601' 1.2 INC, 224.6 AZM
	13:30 - 19:30		DRL	1	DRILLING FROM 676 FT TO 1154 FT, MADE 478 FT IN 6 HRS 80 FPH, WOB 12
		0.00	J. \_	'	RPM 110, 410 GPM
	19:30 - 20:00	0.50	SUR	1	RAN WIRE LINE SURVEYAT 1101 FT, 1 INC 205.8 AZM
	20:00 - 00:30		DRL	1	DRILLING FROM 1154' TO 1557' MADE 403' IN 4.5 HRS, 90 FPH WOB 12, RPM
				1	110, 410 GPM
	00:30 - 05:00	4.50	CIRC	2	LOSS CIRC ATTEMPTING TO GET RETRUNS, LOST 980 BBLS WATER
	05:00 - 06:00		TRP	14	SHORT TRIP TO BHA
1/7/2012	06:00 - 08:00	2.00	CIRC	1	BUILD VOLUME, FIGHT LOST CIRC. LOST 250 BBLS
	08:00 - 10:00	2.00	TRP	2	TRIP FOR PLUGGED MOTOR AND BIT, LAY DOWN MOTOR
	10:00 - 10:30	0.50	RIG	1	RIG SERVICE

Page 2 of 3

# **Operations Summary Report**

Well Name: DS 16G-20-10-18 Location: 20- 10-S 18-E 27

Rig Name: AZTEC

Spud Date: 3/21/2012 Rig Release: 4/12/2012

Rig Number: 950

Date	From - To	Hours	Code	Sub Code	Description of Operations
4/7/2012	10:30 - 12:30	2.00	TRP	2	PICK UP BIT SUB AND BIT, TRIP IN BHA AND ATTEMPT TO BREAK
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12.50	2.00	'''	_	CIRCULATION-STRING PLUGGED
	12:30 - 16:30	4.00	TRP	2	TRIP FOR PLUGGED BHA. MONEL HAD 3 FT LCM PLUG AND FLOAT WAS
				-	COLLAPSED
	16:30 - 17:00	0.50	DRL	1	DRILLING BLIND FROM 1557' TO 1608'
	17:00 - 17:30		TRP	2	TRIP OUT 7 STANDS AND L/D 2 JOINTS
	17:30 - 21:00		CIRC	1	MIX, PUMP POLYSWELL PILL AND WAIT ON POLYSWELL PILL
	21:00 - 21:30		RIG	1	RIG SERVISE
	21:30 - 22:30		ОТН	,	WAIT ON POLYSWELL PILL
	22:30 - 02:30		REAM	1	WASH AND REAM TO BTM
	02:30 - 03:00		DRL	1	DRILLING FROM 1608 TO 1655'
	03:00 - 03:30	1	CIRC	1	CIRC AND BUILD LCM PILL PUMPED PILL GOOD RETRUNS
	03:30 - 04:00	1	DRL	1	DRILLING FROM 1655' TO 1676'
	04:00 - 06:00		CIRC	1	TOTAL LOSSES BUILD LCM PILL AND CONDTION MUD/ GOT RETURNS
4/8/2012	06:00 - 06:30	1	DRL	1	DRILL FROM 1676-1712 WITH PARTIAL RETURNS, 36 FT @ 72 FT PER HOUR.
					65 RPM AND 9K ON BIT
	06:30 - 07:30	1.00	CIRC	1	BUILD VOLUME
	07:30 - 08:30	1.00	DRL	1	DRILL FROM 1712-1777 WITH PARTIAL RETURNS, 64 FT @ 65 FPH, 75 RPM
					AND 13K ON BIT
	08:30 - 09:30	1.00	CIRC	1	BUILD VOLUME
	09:30 - 10:30	1.00	DRL	1	DRILL FROM 1711 TO 1841, 64 FPH WITH INCREASING RETURNS
	10:30 - 12:00	1.50	CIRC	1	BUILD VOLUME AND RAISE VIS TO 35 AND LCM TO 25%
	12:00 - 13:00	1.00	DRL	1	DRILLING WITH FULL RETURNS 1841-1904, 63 FPH
	13:00 - 13:30	0.50	SUR	1	SURVEY AT 1872
	13:30 - 23:00	9.50	DRL	1	DRILLING FROM 1841' TO 2410', MADE 569 FT. 60 FPH, 75 RPM, 15 WOB
	23:00 - 23:30	0.50	SUR	1	RAN WIRE LINE SURVEY SURVEY AT 2390' 2.9 INC 181.0 AZM
	23:30 - 03:30	4.00	DRL	1	DRILLING FROM 2410' TO 2602' 192 FT, 48 FPH 15 WOB, 75 RPMS
	03:30 - 04:00	0.50	RIG	1	RIG SERVISE
	04:00 - 06:00	2.00	DRL	1	DRILLING FROM 2602 TO 2728, 126 FT @ 63 FPH
4/9/2012	06:00 - 10:00	4.00	DRL	1	DRILL FROM 2728 TO 2918, 190 FT @ 47.5 FPH. 65 RPM, 15K ON THE BIT
	10:00 - 10:30	0.50	SUR	1	SURVEY @ 2855
	10:30 - 11:00	0.50	RIG	1	RIG SERVICE
	11:00 - 21:30	10.50	DRL	1	DRILL FROM 2918 TO 3424, 506' AT 48 FPH, WOB 15, RPM 70, 300 GPM
	21:30 - 22:00	0.50	SUR	1	SURVEY AT 3385' 2.9 INC 184.0 AZM
	22:00 - 02:30	4.50	DRL	1	DRILLING FROM 3424' TO 3614', 190' AT 42.2 FPH W0B 15, RPM 70, GPM 300
	02:30 - 03:00	0.50	RIG	1	RIG SERVISE
	03:00 - 06:00	3.00	DRL	1	DRILLING FROM 3614' TO 3740', 126' AT 42 FPH, WOB 15, RPM 70, 300 GPM
4/10/2012	06:00 - 11:00	5.00	DRL	1	DRILLING FROM 3740 TO 3931. 191 FT @ 38.2 FT/HR. 65 RPM, 15K ON BIT.
					LOST 180 BBLS AT 3750 AND 45 BBLS AT 3885
	11:00 - 11:30		SUR	1	SURVEYAT 3900
	11:30 - 12:00	0.50	RIG	1	RIG SERVICE
	12:00 - 02:00	14.00	4	1	DRILL FROM 3931 TO 4438' 507', 36.2 FPH, 16 WOB, 70 RPM 300 GPM
	02:00 - 02:30		SUR	1	SURVEY AT 4402', INC 2 AZM 178.6
	02:30 - 04:30	2.00	DRL	1	DRILLING FROM 4438' TO 4503', 65' AT 32.5 FPH 16 WOB, 70 RPM, 300 GPM
	04:30 - 05:00	1	RIG	1	RIG SERVISE
	05:00 - 06:00	1	DRL	1	DRILLING FRO 4503 TO 4530' 62' AT 27 FPH 16 WOB, 70 RMP, 300 GPM
4/11/2012	06:00 - 14:00	1	DRL	1	DRILL FROM 4530 TO 4800. 270 FT @ 33.75 FPH, 65 RPM, 16K ON BIT
	14:00 - 15:00	1	CIRC	1	CIRCULATE AND CONDITION FOR LOGS
	15:00 - 18:30	1	TRP	15	WIPER TRIP TO CASING SHOE @ 491
	18:30 - 20:00	1	RIG	6	CUT DRILLING LINE
	20:00 - 20:30		RIG	1	RIG SERVICE
	20:30 - 23:00	1	TRP	14	TIH HOLE
	23:00 - 23:30	0.50	CIRC	1	CIRC
		-			

Page 3 of 3

# **Operations Summary Report**

Well Name: DS 16G-20-10-18 Location: 20- 10-S 18-E 27

Rig Name: AZTEC

Spud Date: 3/21/2012

Rig Release: 4/12/2012 Rig Number: 950

rag Hamo.	72120				Rig Number: 950
Date	From - To	Hours	Code	Sub Code	Description of Operations
4/11/2012	23:30 - 00:00	0.50	отн	Ouc	CHANGED OUT ROTATING HEAD, LEAKING
	00:00 - 01:00		CIRC	1	CIRC AND CONDITION FOR LOGS
	01:00 - 01:30		SUR	1	DROPPED SURVEY AT 4782
	01:30 - 05:00		TRP	2	TRIP OUT OF HOLE FOR LOGS
	05:00 - 06:00		LOG	1	WAIT ON HALLIBURTON
4/12/2012	06:00 - 06:30		ОТН		WAIT ON HALLIBURTON LOGGERS
	06:30 - 11:30	1	LOG	1	PJSM, RIG UP LOGGERS AND RUN OPEN HOLE LOGS WITH
					HALLIBURTON-TRIPLE COMBO
	11:30 - 15:00	3.50	TRP	2	PICK UP BIT AND BIT SUB, TRIP IN HOLE TO 4690. NOTIFIED BLM BY E-MAIL AT
					13:30 OF 5.5 RAM PRESSURE TEST, CASING JOB, AND CEMENT JOB
	15:00 - 16:00		RIG	1	RIG SERVISE
	16:00 - 17:00		RIG	2	WORK ON TOP DRIVE
	17:00 - 18:00		CIRC	1	CIRC AND CONDITION MUD
	18:00 - 23:30		TRP	3	L/D DRILL PIPE AND BHA
	23:30 - 02:30		BOP	1	CHANGE OUT 4.5' RAMS TO 5.5" RAMS AND TEST SAME TO 5000 PSI
	02:30 - 03:00	1	CSG	1	PJSM R/U CASING CREW
4/40/0040	03:00 - 06:00		CSG	2	RUN 5.5' CASING 15.5 PPF, LT&C, J-55
4/13/2012	06:00 - 08:00		CSG	2	RUN 5.5" CASING
	08:00 - 08:30		REAM	1	BREAK CIRCULATION AND WASH 45 FT TO BOTTOM, 15 FT OF FILL
	08:30 - 10:00	1.50	CIRC	1	CIRCULATE AND CONDITION FOR CEMENT-RECIPROCATE PIPE, FULL
	10:00 - 13:30	0.50	CLAT	_	RETURNS
	13:30 - 17:00		CMT	2	PJSM AND CEMENT 5.5 INCH CASING
	17:00 - 19:30	1	BOP	1	NIPPLE DOWN AND SET SLIPS WITH 20K OVER STRING WEIGHT- 110,000
	17.00 - 19.50	2.50	LOC	4	CLEAN MUD TANKS AND SET OUT BOP. RIG RELEASED @ 19:30 HRS,
	19:30 - 06:00	10.50	100	4	4/12/2012
	10.00 00.00	10.50	100	7	RIG DOWN AND PREPARE FOR TRUCKS
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# **Operations Summary Report**

Well Name: DS 16G-20-10-18 Location:

20- 10-S 18-E 27

Rig Name: MARTINEZ WELL SERVICE

Spud Date: 3/21/2012

Rig Release: Rig Number: 1

				Sub	
Date	From - To	Hours	Code	Code	Description of Operations
4/25/2012	11:00 - 12:00	1.00			FRAC ZONE #1 INT.4650-55' DOWN CSG.WITH 5000 GAL.15% HCL GELLED
	12:00 - 13:30	1.50			ACID AND 19900# OF 20/40 SAND AND 6400# OF 16/30 SAND
	13:30 - 14:00	0.50			SET A COMP.FRAC PLUG AT 4600' AND PERF.ZONE #2 INT. 4524-29'
	10.50 - 14.00	0.50			FRAC ZONE #2 INT. 4524-29' DOWN CSG.WITH 800 GAL.OF 15% HCL AND
					20100# OF 20/40 SAND AND 4260# OF 16/30 SAND . ALL SAND IN BOTH
	17:00 - 04:30	11.50			STAGES WAS RAN A DELTA 140 2% KCL X-LINKED GEL WATER SYSTEM.
	17.00 - 04.30	11.50		İ	FLOW WELL WITH INITIAL SICP=1700#. OPEN ON A 12/64" CHOKE AND FLOW
					ON VARIOUS CHOKES OVERNIGHT UNTIL WELL DIED AT 4:30AM ON 4/25/12
					AFTER RECOVERING EST.655 BBL.OF WATER WITH NO GAS OR OIL. SI THE
4/28/2012	08:30 - 09:00	0.50	LOC	3	WELL PENDING COMPLETION RIG.LLR IS EST.AT 778 BBL.
172012012	09:30 - 10:30	1	LOC	4	4/28/2012. ROAD RIG TO LOCATION
	10:30 - 11:00	}	BOP		SPOT IN RIG UP
	11:00 - 13:30	l.	TRP	1 5	CHECK SICP=100. ND FRAC VALVE. NU BOPS. RU FLOOR & TBG EQUIPMENT
	11.00 - 15.50	2.50	INF	5	TALLY & MAKE UP BHA. TALLY & START PICKING UP TBG. RIH W/ 78 JNTS OF 2
	13:30 - 14:00	0.50	отн		7/8" J-55 TBG. EOT @2480'. LAND TBG IN WELL HEAD. SHUT WELL IN
	14:00 - 15:30		LOC	4	RD FLOOR, RACK OUT EQUIPMENT, PREP TO RIG DOWN
	15:30 - 19:30		LOC	3	RIG DOWN CLEAN UP LOCATION
	19:30 - 21:00	ì	TRAV	1	ROAD RIG TO THE RW 43-26B. SPOT RIG IN. SDFW
5/7/2012	05:30 - 07:00	1	TRAV	1	CREW TRAVEL
0/1/2012	07:00 - 07:15		RIG	7	5/7/2012. CREW TRAVEL
	07:15 - 08:30		LOC	4	SAFETY MEETING, CHECK PUMP ACTION GOOD
	08:30 - 13:30		LOC	3	RIG DOWN CLEAN UP LOCATION
	00.50 - 15.50	3.00	LOC	3	ROAD RIG FROM THE RW 24-18B TO LOCATION 72 MILES. SPOT IN. CLEAN
	13:30 - 15:00	1.50	TRAV	1	UP. SHUT DOWN DO TO HIGH WINDS CREW TRAVEL
5/8/2012	05:30 - 07:00		TRAV	1	5/8/2012. CREW TRAVEL
0,0,2012	07:00 - 07:15	1	RIG	7	
	07:15 - 08:15		LOC	4	SAFETY MEETING, CHECK SICP=0, SITP=0 RU RIG & EQUIPMENT
	08:15 - 10:00	l .	TRP	5	TALLY & PICK UP 69 JNTS TAG KILL PLUG @ 4600'
	10:00 - 11:00		SEQ	1	RU SWIVEL & RIG PUMP. GET CIRC W/ 5 BBLS
	11:00 - 12:30		DRL	5	
	12:30 - 13:30		CIRC	1	DRILL OUT KILL PLUG IN 15 MINS. RIH W/ 5 JNTS CLEAN OUT TO PBTD @4756' ROLL HOLE CLEAN
	13:30 - 14:00	l .	SEQ	1	RD SWIVEL
	14:00 - 15:30		TRP	2	POOH W/ 147 JNTS LD BHA
	15:30 - 17:30	l .	TRP	2	MAKE UP 3" BULL PLUG & GAS ANCHOR, 1 JNT, S-NIPPLE, 3 JNTS, TAC 5 1/2"
				_	143- JNTS OF 2 7/8" TBG.
	17:30 - 19:00	1.50	ВОР	1	RD FLOOR. ND BOPS. SET TAC 15th IN TEN. NU WELL HEAD. X-O TO ROD
	10.00			•	EQUIPMENT, CLEAN UP SWIFN
	19:00 - 21:00	2.00	TRAV	1	CREW TRAVEL
5/9/2012	05:30 - 07:00		TRAV	1	5/9/2012. CREW TRAVEL
	07:00 - 07:15		RIG	7	SAFETY MEETING, CHECK SICP=0, SITP=0
	07:15 - 12:00		TRP	7	PRIME ROD PUMP. PICK UP 14- 1" PLAIN RODS, 94- 3/4" PLAIN RODS, 75- 7/8"
					PLAIN RODS, 2' X 7/8" PONY, 1 1/2" X 26' POLISH ROD
	12:00 - 14:00	2.00	SEQ	2	RU PUMPING UNIT. HAVE TO FIND PARTS TO HANGE IT OFF WITH. ADJUST
					TAG 16" OFF. TEST PUMP 4 STROKE TO 800 PSI. GOOD TEST
	14:00 - 15:30	1.50	LOC	4	RIG DOWN. RACK OUT EQUIPMENT. CLEAN UP LOCATION. ROAD RIG TO THE
					WR 4G-35-10-17
		-			
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